

# 30-40 LONDON ROAD RETAIL PARK GRANTHAM NG31 6HJ

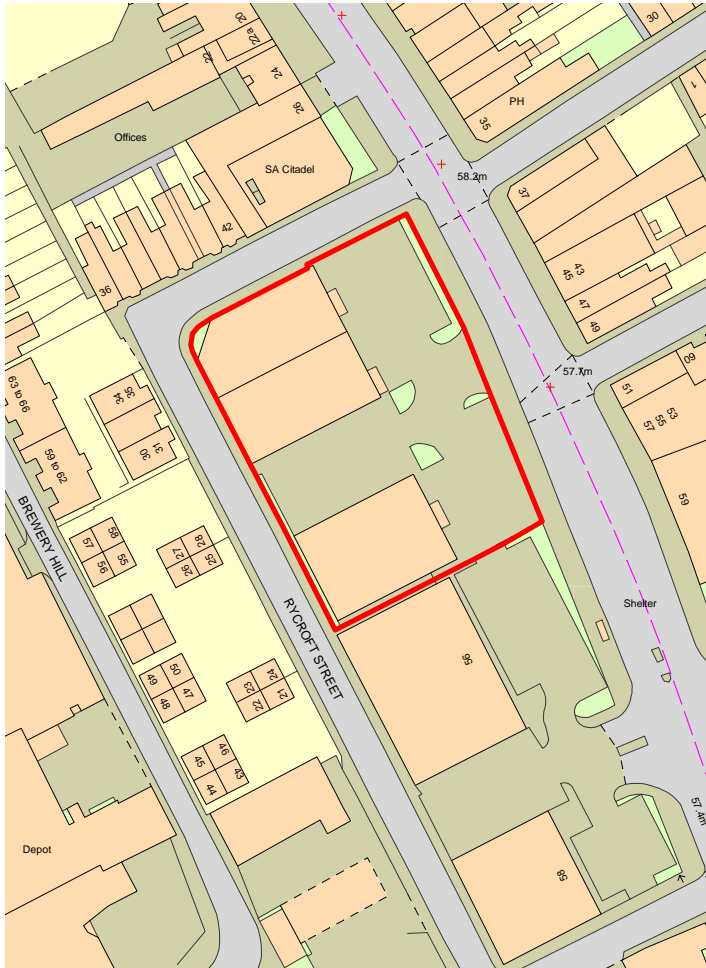


FOR SALE - PRIME  
RETAIL PARK  
INVESTMENT





# INVESTMENT SUMMARY



- Prime Midlands Retail Park Investment.
- Attractive and expanding market town.
- Unrestricted Open A1 Retail Planning Consent.
- Purpose built retail park comprising an approximate GIA of 11,963 sq ft.
- Fully let to national retailers – Majestic Wine, Farmfoods and Barnardo's.
- Passing rent of £138,000pa equating to average re-based rents of £11.54 per sq ft.
- AWULT of 10.95 years, assuming no Break Options are exercised.
- Attractive Lot Size.
- Freehold.

Offers in excess of £1,750,000 (One Million, Seven Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level would show a net initial yield of 7.45% based on purchaser's costs of 5.8%.

# LOCATION

Grantham is a market town within the South Kesteven district of Lincolnshire and is situated approximately 26 miles south of the City of Lincoln, 24 miles east of the city of Nottingham and 110 miles north of London.

The town benefits from excellent transport links being located on the London to Edinburgh East Coast Main Line railway, which provides a direct rail service to London King's Cross with a fastest journey time of 1 hour 8 minutes.

The town is situated on the A52, which provides easy access to Nottingham and the M1 motorway beyond and also lies close to the A1 which provides excellent north/south road links.

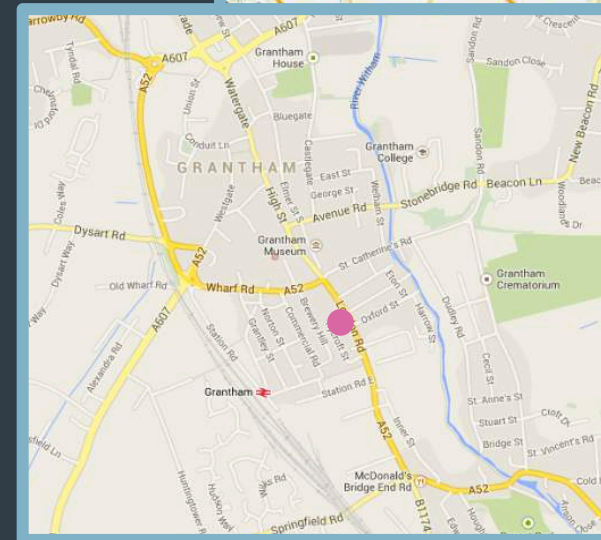


# SITUATION

The property fronts the A52 London Road on the edge of Grantham Town Centre. London Road is a major arterial route linking the town with Nottingham to the west and Boston to the east.

The property is a short distance from the town centre and adjacent to a further Retail Park which is occupied by JYSK and Topps Tiles. Additional retail warehousing is provided along London Road with other occupiers including B&Q, Carpetright, Laura Ashley, Poundstretcher and Halfords. M&S Simply Food are currently fitting out the former Currys Unit next to B&Q.

The immediate locality also provides a further mix of local and roadside retail as well as residential dwellings. There is a Sainsbury's Supermarket a short distance away across the road.



“ In 2013 the Sunday Times named Grantham as one of the best commuter towns in the country.”

# DEMOGRAPHICS

Grantham is the largest town in South Lincolnshire with a resident population of approximately 40,000 in around 18,000 households, and a primary catchment population of 89,000. Planned Housing Developments will see the town's population grow by 30% to 60,000 by 2026.



# DESCRIPTION

The property comprises a retail park currently arranged as three lettable units. Units 1 and 2 were originally constructed as standalone retail warehouse units of steel portal frame construction with brickwork cladding. Unit 2 has been split to provide 2 individual units – 2A & 2B.

Internally, the units have been fitted out in accordance with the tenants' corporate specifications with glazed shopfronts.

Externally there is a shared car park offering 48 customer car parking spaces. The car park was completely resurfaced in 2013.



# ACCOMMODATION

Unit	SQ FT	SQ M
1	4,533	421.13
2a	3,799	353.94
2b	3,631	337.33
TOTAL	11,963	1,111.40



# TOWN PLANNING

The property has the benefit of a Fully Open Unrestricted A1 Retail planning consent.



# TENURE & TENANCIES

We understand the property is held on a freehold basis. The property is currently fully let to three tenants in accordance with the schedule below:

“Fully let to strong national covenants.”

Unit	Tenant	GIA sq ft	Rent pa	Rent psf	Term years	Break year	Lease Start	Lease Expiry	Rent Review	Rent Free Period
1	Majestic Wine Warehouses Ltd	4,533	£52,000	£11.47	15.33	10	06/09/2013	15/01/2029	06/09/2018	Equivalent to ½ rent payable for 30 months + 21 weeks
2a	Farmfoods Ltd	3,799	£44,000	£11.58	10	5	20/08/2014	19/08/2024	20/08/2019	n/a
2b	Barnardo's	3,631	£42,000	£11.57	10	n/a	31/01/2014	30/01/2024	31/01/2019	12 months
TOTAL		11,963	£138,000							

The AWULT is 10.95 years to expiry, assuming no Break Options are exercised.

## SERVICE CHARGE

There is a service charge in place to which the tenants all contribute albeit this is capped in both Barnardo's and Majestic Wine's leases. The draft service charge budget for the year to 30/09/15 is £21,885.

Barnardo's has a service charge base cap of £3,000 +VAT in the first year of their Lease term with annual increases thereafter linked to the All Items RPI. On the proposed draft budget, this will mean a shortfall and hence a Landlord's service charge liability, of approximately £3,693.20 for the coming year.

Majestic Wine has a service charge cap of 10% of the annual rent and hence, for the same period and based on the draft budget, will also mean a shortfall and a landlord's liability of £2,322.07.

There is no cap on Farmfoods service charge.

Of the service charge budget, £9,915 is made up of management fees and other charges. In our opinion there is scope for a new owner to make the shortfall, and therefore the Landlord's liabilities, disappear by using more cost effective and prudent service charge management.



# COVENANT INFORMATION

Majestic Wine was founded in 1980 and its principal activity is the retailing of wine, beer and spirits. The currently operate from over 200 stores across the country and continue to expand. The last 3 years accounts for Majestic Wine Warehouses Ltd show as follows:

## Majestic Wine Warehouses Ltd: Company No. 01594599

	2013	2012*	2011
Turnover	£248,541,000	£253,216,000	£234,217,000
Pre-Tax Profit	£20,443,000	£20,013,000	£18,571,000
Equity Shareholder Funds	£53,091,000	£47,440,000	£37,086,000

\*NB 2012 was a 53 week period

Farmfoods originated in Aberdeen in 1955 and its principal activity is the retail sale of food with a focus on frozen food sales. They currently operate from over 300 stores throughout Great Britain and continue to expand. The last 3 years accounts for Farmfoods Ltd show as follows:

## Farmfoods Ltd: Company No. SC030186

	2013	2012	2011
Turnover	£689,129,000	£569,329,000	£578,040,000
Pre-Tax Profit	£15,110,000	£27,009,000	£24,454,000
Equity Shareholder Funds	£67,664,000	£70,661,000	£60,850,000

Barnardo's is a Registered Charity which was founded in 1867. It is the largest childrens charity in the UK and runs over 900 services, has more than 500 shops, over 8,000 staff and some 15,000 volunteers. They also continue to expand their retail portfolio. The last 3 years accounts for Barnardo's show as follows:

## Barnardo's: Company No. 00061625

	2013	2012	2011
Total Income	£258,112,000	£245,182,000	£244,984,000
Surplus	£6,190,000	£4,593,000	(-£2,346,000)
Total Funds	£25,778,000	£20,684,000	£29,510,000



## EPC

We hold copies of the EPCs which show the units have Energy Performance Asset Ratings as follows:

- Unit 1 B(26)
- Unit 2a B (39)
- Unit 2b B (44)

# RETAIL WAREHOUSING IN GRANTHAM

The main retail warehousing schemes in Grantham are as follows:

1. Dysart Retail Park, Dysart Road (80,500 sq ft)  
Homebase, Matalan, TK Maxx, PC World and Currys
2. Augustin Retail Park, St Augustin's Way (41,000 sq ft)  
Next, Sports Direct, Brantano, Home Bargains, Pets at Home
3. B&Q & Former Currys, London Road (42,000 sq ft)  
B&Q and soon to be M&S Simply Food (who are currently fitting out the former Currys unit)
4. Discovery Retail Park, London Road (25,000 sq ft)  
Carpetright, Laura Ashley and Poundstretcher
5. Topps Tiles & JYSK, London Road (17,500 sq ft)
6. Halfords, London Road (15,000 sq ft)
7. South Parade Retail Park, London Road (65,000 sq ft)  
Buildbase, Dunelm and Furniture Barn
8. Grantham Retail Park, Gonerby Road (63,000 sq ft)  
Wickes, DFS and part vacant

Significant foodstores include:

- ASDA (100,000 sq ft)
- Morrisons (67,500 sq ft)
- Sainsbury's (53,000 sq ft)
- M&S Simply Food (15,000 sq ft) – opening on London Road shortly
- Aldi (13,750 sq ft)
- Lidl – who have recently demolished their store in Watergate, in order to build a new supermarket in its place, increasing the floor area from 17,300 sq ft to 20,000 sq ft.

## VAT

The property is elected for VAT purposes and VAT will be applicable. It is proposed that the sale will be treated as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are instructed to invite offers in excess of:

**£1,750,000**  
**(One Million Seven Hundred and  
Fifty Thousand Pounds)**

for our client's freehold interest, subject to contract and exclusive of VAT. This would represent a **Net Initial Yield** of **7.45%** assuming purchaser's costs of 5.8%.

“Fantastic Retail Park  
Investment Opportunity.”



30-40 LONDON ROAD  
RETAIL PARK  
GRANTHAM  
NG31 6HU

## CONTACT

For further information or to arrange an inspection of the property, please contact:

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- a) These particulars were prepared from preliminary plans and specifications before the completion of the properties and are intended only as a guide. They may have been changed during construction and final finishes could vary. Prospective purchasers should not rely on this information but must get their solicitor to check the plans and specifications attached to their contract.
- b) We have not made any investigations into the existence or otherwise of any issues concerning pollution of land, air or water contamination and the purchaser is responsible for making his own enquiries in this regard.